

50X1-HUM

CONFIDENTIAL  
~~RESTRICTED~~

## CHINESE NEWSPAPERS REPORT ON CIA ACTIVITIES

*US Spy Activities Increasing -- Wen-hui Pao, 11 Jul 49*  
~~ETA: The manner in which this article was written in Chinese suggests that~~  
~~US SPY ACTIVITIES INCREASING -- Wen-hui Pao, 11 Jul 49~~  
~~it may be a translation from another language.~~  
 Pei-p'ing, NCNA, 10 Jul 49 -- According to a Washington dispatch,

a bill broadening the power of and granting unlimited spending authority to the Central Intelligence Agency was signed by President Truman during the latter part of June. This clearly shows that the new war strategists in Washington are beginning to place greater emphasis on intelligence activities as Congress takes steps to arm the signatories to the North Atlantic pact.

One of the main functions of the CIA will be to promote US direction of the military activities and plans of these nations. In addition, it will assume control of espionage activities in those countries, halt their spying on one another, and bring their combined strength to bear on [securing information concerning] the progress and activities of the new democracies in Eastern Europe, the USSR, and China.

The CIA was organized two years ago. Under authority granted to it by the President, it has already established underground activities throughout the world. The notorious "X" plan (a plan for creating riots and disorders in USSR and her satellites, rendering aid to anti-Communist newspapers, organizing shock troops, and assassinating Communist leaders) of the "VAO" spy ring organized throughout central and eastern Europe is a result of CIA activities. The sum of 30 million US dollars was approved as an initial appropriation

~~RESTRICTED~~

~~RESTRICTED~~

for this plan.

For the purpose of coordinating all government intelligence activities, the CIA has already established close liaison with other government agencies, such as the FBI, Departments of the Army, Navy, Air Force, and State and ECA. Aside from reports received by specially trained military intelligence officers sent throughout the world by the Department of State and ECA, the CIA is also relying on the assistance of bankers, industrialists and right-wing labor leaders, and is welcoming fascist refugees into its underground organization.

These refugees, in order to assist the CIA in striking at the iron curtain nations of Eastern Europe which have cast off capitalism since World War II, have aided in the formation of the "European Freedom Committee" which was organized by State Department officials, industrialists connected with international finance, and labor leaders who were in accord with these groups. After President Truman <sup>signed</sup> ~~signed~~ the bill authorizing the CIA to allow the immigration of 100 anti-Communist refugees each year, this committee assumed the responsibility of rendering aid to <sup>these</sup> ~~these~~ refugee leaders forced to remain in the United States by guaranteeing them useful <sup>employment</sup> ~~development~~.

Those who have already joined company with the CIA include members of the International Farmers' League, which is headed by the Polish traitor, Makolajczyk and members of other peasant parties of Eastern Europe.

In his testimony before the Un-American Activities Committee, of the House of Representatives, former Polish General Chih-chieh-erh su-chi <sup>(possibly Modelski)</sup> ~~Chinese approximation of a foreign name~~ said that before he

~~RESTRICTED~~

~~RESTRICTED~~

left Poland for the United States to assume the post of military attache to the Polish Embassy, he received a letter of introduction to General Eisenhower from Ambassador Lane in Poland.

He explained that he had furnished intelligence reports to ✓  
Eisenhower through contacts with US intelligence agents. Lane is one of the founders of the new "European Freedom Committee". The head of the committee is Joseph C. Grew, former US Ambassador to Japan. Members of the Grew Committee include James A. Farley (former chairman of the National Committee of the Democratic Party), <sup>John Foster</sup> Dulles, <sup>Bright S.</sup> Eisenhower, <sup>William</sup> AFL President Greene, Chia-lai <sup>(Kelly?)</sup> ~~Chinese approximation of a foreign name~~, secretary of the Productive Federation [?], Henry Luce, publisher of Time and Life magazines, and Pai-erh <sup>=</sup> ~~Chinese approximation of a foreign name~~, chairman of the planning Committee For US Military Aid to Greece.

CIA activities are increasing daily in accordance with ~~the~~ increasing US intervention into the internal affairs of other nations throughout the world. The activation of <sup>the</sup> Truman doctrine in Greece and Turkey, and of the Marshall Plan ~~is~~ presenting a great opportunity for US espionage agents to expand their activities.

As the US increases armed aid to the North Atlantic Pact Nations, US espionage agents will become more numerous in their armed forces. Funds needed to expand their activities will be forthcoming from the unlimited funds placed at their disposal by Truman.

U.S. OPENS INTELLIGENCE CENTER IN PARIS -- Wen-hui Pao, 12 Jul 49

Pei-p'ing, NCNA, 10 July 49 -- According to a Tass News Agency dispatched to Pravda from The Hague, dated 7 July 1949, the United

~~RESTRICTED~~

**RESTRICTED**

States in May 1949 established an economic intelligence center called the "Information Department" in Paris. The move was made as a result of a proposal by the Central Intelligence Agency. The purpose of this intelligence center is the systematic collection of information concerning the Marshall Plan nations, North Atlantic Pact nations, and People's Democracies. Emphasis will be placed on gathering material on Britain's impact on the Marshall Plan and North Atlantic Pact nations. Another duty of this intelligence center is to formulate plans opposing the People's Democracies. It is expected that the notorious Po-lun <sup>approximation</sup> ~~Chinese transliteration of a foreign name~~ (BOLEN?) will be named to head the Department.

**RESTRICTED**